

FINANCIAL STATEMENTS

OF

DJM SECURITIES (PRIVATE) LIMITED

FOR THE YEAR ENDED JUNE 30, 2015

IQBAL SHAIKH & COMPANY

CHARTERED ACCOUNTANT

B-112 Block 10, Gulshan-e-Iqbal Karachi

Tel : 021-34990448 Cell : 0300-8246802

email : iqbalshaikh_co@yahoo.com

IQBAL SHAIKH & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS REPORT TO THE MEMBERS


We have audited the annexed balance sheet of "DJM SECURITIES (PRIVATE) LIMITED" as at June 30, 2015 and the related profit & loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended thereof and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

[It is the responsibility of the Company's management to establish and maintain a system of internal control, prepare and present the above said statements in conformity with the approved accounting standards and requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free from any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

1. in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
2. in our opinion:
 - the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and further in accordance with the accounting policies with the relevant notes to which we concur;
 - the expenditure incurred during the year was for the purpose of the Company's business; and
 - the business conducted was in accordance with the objective of the Company.
3. in our opinion and to the best of our information and according to the explanation given to us, the balance sheet, profit & loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of state of Company's affair as at June 30, 2015 and of the profit, its cash flow and changes in equity for the year ended;
4. in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the central Zakat Fund established under section 7 of the Ordinance.

Karachi : 03 SEP 2015
Engagement Partner : Iqbal Ahmad Shaikh


Iqbal Shaikh & Company
Chartered Accountants

DJM SECURITIES (PVT) LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	2015	2014
Note	Rupees	Rupees
NON-CURRENT ASSETS		
Property and equipment	4 2,848,096	4,044,660
Intangible assets	5 238,379	297,684
Membership card	250,000	250,000
Long term deposits & deferred cost	190,371,656	198,866,847
	<u>193,708,131</u>	<u>203,459,191</u>
CURRENT ASSETS		
Short term investment	6 1,421,336,319	1,049,598,464
Trade debts	7 116,929,147	205,884,349
Advances and other receivables	99,790	6,743,133
Advance tax	58,008,110	54,855,481
Cash and bank balances	8 34,146,912	5,675,168
	<u>1,630,520,278</u>	<u>1,322,756,595</u>
	<u><u>1,824,228,409</u></u>	<u><u>1,526,215,786</u></u>
EQUITIES AND LIABILITIES		
SHARE CAPITAL		
Authorized		
25,000,000 ordinary shares of Rs. 10/- each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up	9 125,000,000	125,000,000
Unappropriated profit	1,052,950,626	775,631,839
	<u>1,177,950,626</u>	<u>900,631,839</u>
CURRENT LIABILITIES		
Short term borrowing	10 450,290,045	348,772,990
Trade and other payables	11 188,894,719	270,889,634
Markup payable	7,093,019	5,921,323
	<u>646,277,783</u>	<u>625,583,947</u>
Contingencies and commitments	12	
	<u><u>1,824,228,409</u></u>	<u><u>1,526,215,786</u></u>

The annexed notes form an integral part of these accounts.




Chief Executive


Director

DJM SECURITIES (PVT) LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	<u>2015</u> Rupees	<u>2014</u> Rupees
Operating revenue	13	462,179,266	229,234,824
Administrative expense	14	163,366,070	120,978,797
Finance cost	15	36,366,661	29,522,042
		199,732,731	150,500,839
		<u>262,446,536</u>	<u>78,733,985</u>
Less: Worker welfare fund		(308,683)	(288,821)
Appreciation / (diminution) in value of short term investments	6.2	63,179,574	(771,260)
Profit / (loss) before taxation		<u>325,317,426</u>	<u>77,673,904</u>
Taxation	16	47,998,639	24,031,912
Profit / (Loss) after taxation		<u>277,318,787</u>	<u>53,641,992</u>
Earning per share - basic and diluted	17	<u>22.19</u>	<u>4.29</u>

The annexed notes form an integral part of these accounts.




Chief Executive


Director

DJM SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed & paid up capital	Unappropriated profit	Total
 R u p e e s		
Balance as on June 30, 2013	125,000,000	721,989,847	846,989,847
Profit after taxation for the year ended June 30, 2014.	-	53,641,992	53,641,992
Balance as on June 30, 2014	<u>125,000,000</u>	<u>775,631,839</u>	<u>900,631,839</u>
Profit after taxation for the year ended June 30, 2015.	-	277,318,787	277,318,787
Balance as on June 30, 2015	<u><u>125,000,000</u></u>	<u><u>1,052,950,626</u></u>	<u><u>1,177,950,626</u></u>




Chief Executive


Director

DJM SECURITIES (PVT) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30,2015.

Note	2015 Rupees	2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	325,317,426	77,673,904
Adjustment for:		
Depreciation	1,196,564	231,428
Amortization of software	59,305	84,722
(Appreciation) / diminution in value of short term investments	(63,179,574)	771,260
Financial charges	36,366,661	29,522,042
	(25,557,044)	30,609,452
Operating (loss) / profit before working capital changes	299,760,382	108,283,356
Changes in working capital		
(Increase) / decrease in current assets		
Short term investment (as on cost of shares)	(308,558,282)	(437,625,679)
Trade debts	88,955,202	225,896,818
Advances	6,643,343	71,615,265
	(212,959,737)	(140,113,596)
Increase/ (decrease) in current liabilities		
Trade and other payables	(81,994,915)	86,837,820
	(294,954,651)	(53,275,775)
Cash generated from operations	4,805,731	55,007,581
Financial charges paid	(35,194,965)	(29,965,473)
income tax paid	(51,151,268)	(51,013,350)
Net cash (outflow) from operating activities	(81,540,502)	(25,971,242)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposits	8,495,191	(163,228,135)
Net cash (outflow) / inflow from financing activities	8,495,191	(163,228,135)
Net (decrease) in cash &. cash equivalents	(73,045,311)	(189,199,377)
Cash and cash equivalents at the beginning	(343,097,822)	(153,898,445)
Cash and cash equivalents at the end of the year	18 (416,143,133)	(343,097,822)




Chief Executive


Director

**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

1 GENERAL INFORMATION

DJM Securities (Private) Limited was incorporated as a private limited company under the Companies Ordinance, 1984 on June 17, 2002. The registered office is situated at Suite # 203 2nd floor, Business & Finance Centre, I.I. Chundrigar Road, Karachi. The Company is holder of Trading Right Entitlement Certificates (TREC) of Karachi, Lahore & Islamabad Stock Exchanges. The principal activity of the company is to carry on the business of stock brokerage, investments advisory and consultancy service underwriting and portfolio management etc.

2 BASIS OF PREPARATION

2.1 Statement of Compliances

These Financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the functional currency of the Company and figures are stated to the nearest rupee.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain short term investments which are stated at fair value.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards require management to use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgment are continually evaluated, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognized in the period of revision in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.



**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

3.1 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes a party to all the contractual provisions of instrument and derecognized when the Company loses control of contractual rights. Financial assets includes trade debts, other receivables, loans, advances and deposits. Regular purchases and sales of investments are recognized on trade-date - the date on which the Company commits to purchase or sell the asset. These are recognized initially at cost plus directly attributable transaction cost, if any, and subsequently measured at fair value or amortized cost using effective interest rate method as the case may be less provision for impairment, if any.

3.2 Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical costs includes expenditure that is directly attributable to the acquisition of assets. Depreciation is charged to profit and loss on reducing balance method at the rates specified in note no. 4. Full year's depreciation is charged on all additions. No depreciation is charged on fixed assests disposed off during the year. Repairs and maintenance is charged to income.

3.3 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

3.3.1 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the costs beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method using the rate specified in Note 5.1 to the account

3.4. Membership cards

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.5 Short term investments

Investment are made in equity instruments of Listed companies and Mutual Funds.

Investments at fair value through profit and loss

Investment are made in stock exchange at fair value through profit and loss at initial recognition. Any subsequent changes in fair value is recognized in profit and loss account.



DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015

Sale and Purchase Agreements

Securities purchased under agreements to resell ('reverse repose') are shown as Receivable against margin trading systems. Securities sold subject to a linked Repurchased agreement ('repose') are retained in the financial statements as trading or Investment securities and the counter party liability is included in borrowing under Repurchase agreements. The difference between sale and repurchase price is treated as income / expense from margin trading system.

3.6 Trade debts

Trade and other receivables are initially recognized at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for trade debts and other receivables considered to be doubtful. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is charged to profit and loss. Trade and other rceivables considered irrecoverable are written off.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value, and short-term running finance under mark-up arrangements.

3.8 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

3.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured. Revenue is recognized on following basis:-

- Gains / (losses) on sale of securities are recorded on the date of transaction and included in the profit and loss account in the period in which they arise.
- Dividend income is recognized when the right to receive payment is established. Whereas, return on securities other than shares is recognized on accrual basis.
- Underwriting commission is recognized when the agreement is executed



**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

- Surplus / (deficit) on remeasurement of investment at balance sheet date arising from Marking to market of investment classified as 'financial assets at fair value through profit or loss and investment in associates are included in profit and loss account in the period in which they arise.
- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided

3.11 Borrowing Costs

Borrowing costs are recognized as an expense in the period they are incurred.

3.12 Related party transaction

All transactions involving related third parties arising in normal course of business are conducted at normal commercial rates on the same term and conditions.

3.13 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is legally enforceable right to set-off the recognized amounts and there is an intention to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

4 PROPERTY & EQUIPMENT

Tangible

Particulars	Cost at July 01, 2014	Addition/	Cost at Jun. 30, 2015	Accumulated depreciation at July 01, 2014	Depreciation for the year	Accumulated depreciation at Jun. 30, 2015	Book value at Jun. 30, 2015	Annual rate of depreciation %
Office premises	2,316,614	-	2,316,614	-	998,923	998,923	1,317,691	5
Office equipment	1,037,889	-	1,037,889	610,673	42,722	653,395	384,494	10
Office furniture	3,466,860	-	3,466,860	2,306,999	115,986	2,422,985	1,043,875	10
Computers	1,840,247	-	1,840,247	1,716,066	37,254	1,753,320	86,927	30
Generator	39,000	-	39,000	22,212	1,679	23,891	15,109	10
Jun. 30, 2015	<u>8,700,610</u>	-	<u>8,700,610</u>	<u>4,655,950</u>	<u>1,196,564</u>	<u>5,852,514</u>	<u>2,848,096</u>	
June. 30, 2014	<u>8,700,610</u>	-	<u>8,700,610</u>	<u>4,424,522</u>	<u>231,428</u>	<u>4,655,950</u>	<u>4,044,660</u>	

Depreciation charge for the year on office premises includes depreciation for the last 10 years.



**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
5 INTANGIBLE ASSETS			
Computer Software	5.1	138,379	197,684
Trading right entitlement certificates	5.2	100,000	100,000
		<u>238,379</u>	<u>297,684</u>

5.1 Computer software

Intangible

Particulars	Cost at July 01, 2014	Addition/ -	Cost at Jun. 30, 2015	Accumulated amortization at July 01, 2014	Amortization for the year	Accumulated amortization at Jun. 30, 2015	Book value at Jun. 30, 2015	Annual rate of depreciation %
Software	1,550,000	-	1,550,000	1,352,316	59,305	1,411,621	138,379	30
Jun. 30, 2015	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>	<u>1,352,316</u>	<u>59,305</u>	<u>1,411,621</u>	<u>138,379</u>	
June. 30, 2014	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>	<u>1,267,594</u>	<u>84,722</u>	<u>1,352,316</u>	<u>197,684</u>	

5.2 This represents cost of membership card of Karachi Stock Exchange of Pakistan with indefinite useful life and represents the cost of membership card of stock exchange which are surrendered to the stock exchange under Stock Exchanges (Corporation, demutualization and Integration) Act, 2012 and trading rights are issued to the members carrying the similar rights.

	Note	2015 Rupees	2014 Rupees
6 SHORT-TERM INVESTMENT			
Investment in quoted listed companies & mutual funds		<u>1,421,336,319</u>	<u>1,049,598,464</u>
6.1 Gain / (loss) on re-measurement of investment at fair value through profit and loss - held for trading			
Market value		1,421,336,319	1,049,598,464
Cost of investment		1,323,911,246	1,015,352,964
		<u>97,425,073</u>	<u>34,245,500</u>
6.2 Unrealized (loss) / gain on re-measurement of investment carried at fair value through profit and loss			
At the beginning of the year		34,245,499	35,016,759
Net unrealized gain / (Loss) for current year		<u>63,179,574</u>	<u>(771,260)</u>
		<u>97,425,072</u>	<u>34,245,499</u>



**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
7 TRADE DEBTS			
Considered good		116,929,147	205,884,349
Considered doubtful		490,000,000	350,000,000
		<u>606,929,147</u>	<u>555,884,349</u>
Provision for doubtful debts		(490,000,000)	(350,000,000)
		<u>116,929,147</u>	<u>205,884,349</u>

8 CASH AND BANK BALANCES

Cash in hand		3,591	1,811
Cash at bank - on current accounts		34,143,321	5,673,357
		<u>34,146,912</u>	<u>5,675,168</u>

9 ISSUED, SUBSCRIBED AND PAID-UP

No. of Shares			
2014	2013		
<u>12,500,000</u>	<u>12,500,000</u>	Ordinary shares of Rs. 10/- each, issued for cash	
			<u>125,000,000</u>
			<u>125,000,000</u>

10 SHORT TERM BORROWINGS

NIB Bank		450,290,045	348,772,990
		<u>450,290,045</u>	<u>348,772,990</u>

These are secured against pledge of shares quoted at Karachi Stock Exchange and personal guarantee of directors. The sanctioned limit is Rs. 500 Million, the financing carry mark-up of 3 months KIBOR plus 200 bps.

11 TRADE AND OTHER PAYABLES

	Note	2015 Rupees	2014 Rupees
Trade payables		33,184,352	5,154,165
Accrued liabilities		8,375,739	2,083,575
Worker welfare fund		308,683	288,821
Other liabilities		147,025,944	263,363,073
		<u>188,894,718</u>	<u>270,889,634</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 A demand of Rs. 17,826,261 by Deputy Commissioner, Inland Revenue for Tax Year 2008. An appeal has been filed with Commissioner (Appeals), Inland Revenue against the order. As the Company expects favorable outcome no liability has been recorded in the accounts.

Rs. 3,573, 804

0

12.2 Guarantees issued by banks on behalf of the Company



**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
13 OPERATING REVENUE			
Brokerage revenue	13.1	25,895,250	25,940,826
Dividend income		55,393,896	21,247,418
Capital gain on sale of investment		380,249,507	181,919,412
Profit on bank saving account		640,614	127,167
		<u>462,179,266</u>	<u>229,234,823</u>
13.1 Commission income-net			
Commission income including FED.		30,160,079	30,881,936
Less: Federal excise duty		(4,264,829)	(4,941,110)
		<u>25,895,250</u>	<u>25,940,826</u>
14 ADMINISTRATIVE EXPENSES			
KSE laga charges		2,488,564	1,822,778
NCCPL charges exp.(Laga CGT)		524,040	291,360
SECP transaction fee/Laga charges		571,217	357,613
KSE & SECP off market reporting fee		63,256	32,865
Broker/ NCEL renewal / terminal fees		330,000	330,000
NCCPL charges exp.(Laga)		2,641,690	1,412,451
Staff salary		3,878,360	4,275,185
Director remuneration	19	1,920,000	1,040,000
CDC charges		1,928,037	1,411,338
Electricity		750,499	836,554
Telephone and mobile		471,757	514,449
Auditors' remuneration	14-1	99,750	127,000
Rent, rate and taxes		318,996	1,675,423
Office rent / ISE office exp		40,000	42,000
Entertainment		198,730	207,900
Stationery		-	41,600
Computer /software & internet		808,252	941,349
Conveyance and traveling		854,058	1,656,855
Petty Cash exp./ Car maintenance		1,150,000	1,270,000
Repair & maintenance exp		266,730	245,424
Charity fund		1,870,000	1,925,000
General expenses		156,864	190,053
Legal and professional charges		116,000	15,450
SESSI /EOBI		64,800	-
Depreciation and amortization	4 & 5.1	1,255,869	316,150
Provision for doubtful debts		140,000,000	100,000,000
I.P.F.		598,601	-
		<u>163,366,070</u>	<u>120,978,797</u>



**DJM SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

	Note	2015 Rupees	2014 Rupees
14.1 Auditors' remuneration			
System Audit & Net Capital fee.		39,750	67,000
Audit fee		60,000	60,000
		<u>99,750</u>	<u>127,000</u>
15 FINANCE COST			
Bank markup		36,191,475	29,362,520
Bank charges		175,186	159,521
		<u>36,366,661</u>	<u>29,522,042</u>
16 TAXATION			
Current for the year		47,998,639	24,031,912
Prior year charge		-	-
		<u>47,998,639</u>	<u>24,031,912</u>
17 EARNING PER SHARE - Basic and diluted			
Profit / loss after taxation		<u>277,318,787</u>	<u>53,641,992</u>
Weighted average number of ordinary shares		<u>12,500,000</u>	<u>12,500,000</u>
Earning per share - basic and diluted		<u>22.19</u>	<u>4.29</u>
18 CASH AND CASH EQUIVALENTS			
Cash and bank balances		34,146,912	5,675,168
Short term borrowings		(450,290,045)	(348,772,990)
		<u>(416,143,133)</u>	<u>(343,097,822)</u>

19 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

The aggregate amounts charged in the financial statements for remuneration paid to Chief Executive and Directors are as follows:-

	RUPEES			
	Chief Executive		Director	
	2015	2014	2015	2014
Managerial remuneration	640,000	693,333	640,000	-
House rent allowance	256,000	277,333	256,000	-
Utilities	64,000	69,334	64,000	-
	<u>960,000</u>	<u>1,040,000</u>	<u>960,000</u>	<u>-</u>

The Company bears the maintenance cost of Chief Executive and Director's cars.



**DJM SECURITIES (PRIVATE) LIMITED
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2015**

20 RELATED PARTY TRANSACTION

<u>Name</u>	<u>Nature</u>	<u>2015</u>	<u>2014</u>
Real Estate Modaraba Management Company Ltd,	Loan balance	160,000,000	160,000,000

21 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The Company issues financial instruments mainly to finance its operations in addition to the financial instruments,

21.1 Interest rate risk management

Since the company borrows funds usually at fixed interest / mark-up rates, the risk arising is minimal.

21.2 Foreign exchange risk management

Foreign currency risk arises where financial instruments contains receivables & payables in foreign currency.

21.3 Concentration of credit risk

The company considers that it is not exposed to major concentration of credit risk. The company, however, is exposed to credit related losses in the event of non-performance by counter parties to financial instruments but does not expect any counter parties to fail to meet the obligation.

21.4 Fair value of financial instruments


The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on

23 GENERAL

Previous year's figures have been re-grouped / rearranged, wherever necessary for the purpose of comparison.


 Chief Executive


 Director

